

Dear Shareholders,

On behalf of the Board, the Executive, and the extended team at Bendigo Telco we thank you for your continued investment and support as we close out another financial year.

The Telecommunication services and solutions we have provided in the past may be changing, but our commitment to provide the essential products, advice and support to our Communities and Customers in this digital age remains. This has informed our Boards decision to apply our investment program towards the capacity changes likely to provide both the ongoing solutions for our Customers, while returning to more appropriate Shareholder returns in the future.

Two years ago, we embarked on redefining our strategy which was based on our original purpose of feeding into the success of our Communities and Customers. Our customer-focused strategy is what we believe provides your business with a strong purpose, to ensure it contributes to a successful outcome for all stakeholders, and a sustainable return for you, our shareholders.

Our corporate purpose is supported by our vision to be our customers preferred technology partner. It is this vision that prompted us to invest in broadening our products and services beyond our traditional Network and Voice Products. Your Business now provides our customers with a full suite of products which now includes 'end user compute', hosted cloud services, line of business applications support, network services, hosted voice, mobility services, and field engineers, all of which are complimented with our managed services. During the past 12 months we have continued to invest in a strengthened suite of products to ensure we remain relevant to the needs of our customers into the future in this ever-changing industry.

### **Our People**

Whilst implementing our strategy, our first key focus area is our people. The evolution of your Business from a traditional network, 'connections business', to a complete technology partner requires a different style of workforce, which is all about 'quality service delivery'. The very thing that differentiates your business is 'how' we deliver, so we have been investing in our talent base to ensure we deliver on the services required by our customers. A service-based business is reliant upon suitable technical staff to service and support our customers.

Like all industry's we too are being challenged with the recruitment of capable and suitable technical staff who are aligned to our purpose driven strategy. We believe by having regionally based local talent and technical skills continues to be a strategic advantage and adds value across the local economies we service. We anticipate that accessibility to talent will continue to be a challenge in the coming year, however we continue to work towards building our workforce of the future.

As part of our people strategy, we are committed to protect and grow our regional employment skill base to further increase our contribution into our local economies, and to be able to partner with our Customers in these exciting but challenging times. This is being achieved through partnerships with a number of education providers and technology partners to ensure our communities continue to have access to a strong skills base and retain and attract talent to our regions.

## Growth Opportunities

During the financial year we acquired Boltons IT Services in Bendigo. This acquisition complimented the acquisition of MGR IT and Hi-Tech businesses in the prior financial year. These acquisitions supported our strategy to expand our service offering and helped accelerate our move into managed services. These acquisitions provided your business with additional skilled staff, increase in revenue, customer numbers and additional products and services. As a result of these acquisitions, we see there are opportunities to simplify and realise the benefits of integrating and building a stronger business into the future.

As our Customers continue to be challenged by the new digital business environment, we are confident we will be a valuable partner in successfully implementing up to date technologies capable of making this new environment an opportunity for all local businesses.

Our investment in people and product is positioning our business to meet the strong pipeline of opportunities supporting our growth and diversification plans.

## Customer Delivery

Since executing our acquisition strategy throughout calendar year 2022 we have seen a significant increase in the demand for our new services. We continue to have a strong pipeline of new business, as well as expanding our products and services to our existing customers. Our focus is on achieving the appropriate balance of providing quality services to our existing customers whilst onboarding new customers.

## Our Performance

The 2023 financial results reflect the change in our business as we continue to invest in our people, product, and processes to improve our prospects of remaining relevant in an ever-changing telecommunications market whilst continuing to deliver the service and support that our customers and communities deserve.

We recognise, the changed customer requirements, our investment program, and product changes have impacted on our profit performance over recent times. This has impacted on the recent dividends paid to you, our shareholders. However, your Board strongly believes opportunities exist in our regional economies to provide both valuable services and support to customers and their broader communities, while moving towards an appropriate return on your shareholder funds. We thank you for your ongoing support, and in recent times your patience.

The Group is pleased to have been able to fund the two acquisitions during CY22 with cash reserves and was also able to refinance its existing debt facility resulting in a strengthened working capital balance of \$335k.

Total revenue for the year was \$28.06 million, up 5.5% on FY22 with a reported EBITDA of \$2.47 million, down 13.8% on FY22.

The final net profit after tax for the year was \$63k.

After careful consideration of the Groups financial performance, strategic goals and continued investment in transitioning to become our customers preferred technology partner, the directors resolved not to declare a final dividend.

## Outlook

As we move into a new financial year our priorities are to ensure we maintain the focus and momentum on the new opportunities being presented in the market and across our local economies, as well as continuing to service our loyal existing customers.

When we launched our business, we were addressing a range of issues disadvantaging our regional economies, these being equal access and pricing of telecommunications services, to those offered in our capital cities. With the major changes in telecommunications and technology over the past two decades and the introduction of digital solutions across all businesses, our Business has needed to respond by increasing its investment in product, People, and new customer support initiatives. These initiatives are enabling us to offset the reduction of 'top line' revenues from older technologies and legacy products and services, with new revenue from services required by customers moving to address the digital age opportunities in their individual Businesses and the boarder regional economy.

We are investing in these activities as they are judged by your Board to provide an opportunity to produce shareholder value in the years to come.

## Acknowledgements

As we continue to execute our strategy to position your business as a preferred technology partner, we acknowledge your support in doing so. We are committed to ensure we are building long term sustainability, while meeting the high demand for digital services across the communities we are privileged to serve.

As Chair and Managing Director we would like to extend a thank you to our fellow Board members for their ongoing support in providing prudent governance and advice. In conclusion, to each of our valued staff members and the support they receive from their families and friends, your commitment, support, and dedication in delivering upon the success of our customers is greatly valued.



Rob Hunt  
Chairman



Kevin Dole  
Managing Director